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IN THE

Supreme Court of the United States

OCTOBER TERM, 1968

No. 1078

CELANESE CORPORATION,
Petitioner,

—against—

EDWARD J. BRENNER, Commissioner of Patents,
Respondent.

PETITION OF CELANESE CORPORATION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

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The Opinions Below

Petitioner Celanese Corporation seeks review and reversal of the affirmance by the United States Court of Appeals for the District of Columbia Circuit of the District Court's dismissal of Celanese's complaint upon motion of respondent Brenner, the Commissioner of Patents.

After Celanese's inventor, an applicant for reissuance of his patent, had prevailed over E. I. duPont de Nemours & Company's patentee in a Patent Office interference proceeding, duPont commenced a 35 U.S.C. §146 review action in the United States District Court for the Southern District of New York.

The Commissioner's written and unreported decision denying Celanese's inventor's petition for prompt issuance of his reissue patent appears at pages 1a-2a of the Appendix. The unreported oral ruling of the District Court granting respondent Brenner's motion to dismiss Celanese's complaint, which sought an adjudication of the Commissioner's authority promptly to issue the reissue patent, appears at page 3a. The affirmance by the Court of Appeals, not yet officially reported, appears at pages 4a-9a.

Those decisions, all of which recognized the undisputed irreparable injury to Celanese because of delay in issuance of its reissue patent, were based squarely on *Monsanto Co.* v. *Kamp,* 360 F. 2d 499 (D.C. Cir. 1965), and failed to follow the contrary construction of the controlling statute, 35 U.S.C. §135, in *Monaco* v. *Watson,* 270 F. 2d 335 (D.C. Cir. 1959), *cert. denied,* 361 U.S. 924. The opinions in *Monaco and Monsanto,* each decided by a divided court, appear at pages 10a-12a and 13a-20a, respectively.

Jurisdiction

The decision of affirmance sought to be reviewed and the entry of judgment thereon occurred on November 25, 1968. Jurisdiction of this Court is invoked pursuant to 28 U.S.C. §1254(1).

The Questions Presented for Review

1. Is the Commissioner of Patents deprived of power and discretion under 35 U.S.C. §135 "to issue a patent to the applicant who is adjudged [by the Board of Patent Interferences] the prior inventor", by the losing party's commencement of a judicial review action under 35 U.S.C. §146 merely because such loser is a patentee (*Monsanto* and the decision below) rather than an applicant (*Monaco*)?

2. Even if the preliminary injunction were properly granted in *Monsanto,* did the Court below err in failing to apply equitable principles to hold that because of Celanese's likelihood of success and the undisputed irreparable injury to it:

> (a) this was an "unusual case" within the *Monsanto* exception enabling the Commissioner to exercise discretion, or
>
> (b) that the denial of issuance of Celanese's reissue patent be conditioned upon the filing by du-Pont in this action of a bond or undertaking to indemnify Celanese for its damages due to delay?

Constitutional Provisions and Statutes Involved

Article 1, Section 8, Clause 8 of the United States Constitution provides that Congress shall have the power "To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."

The pertinent texts of the following statutes involved are set forth in the Appendix.

35 U.S.C. §135 (1964), first enacted in the 1952 Patent Act, governs Interferences (pp. 21a-22a), as did its predecessor, Act of August 5, 1939, ch. 451, §1, 53 Stat. 1212, R.S. §4904 (p. 23a).

The last sentence of the Act of March 2, 1927, ch. 273, §8, 44 Stat. 1336, prohibited the Commissioner from issuing a patent which was the subject of an interference proceeding until final determination of a District Court review action (p. 24a). It was expressly repealed by the Act of August 5, 1939, ch. 451, §3, 53 Stat. 1212 (p. 24a).

35 U.S.C. §141 (1964) governs appeals to the Court of Customs and Patent Appeals from a decision of the Board of Patent Interferences (p. 25a).

35 U.S.C. §146 (1964) governs District Court review of decisions of the Board of Patent Interferences (p. 26a), as did its predecessor, Act of February 9, 1893, ch. 74, §9, 27 Stat. 436, as amended, R.S. §4915 (p. 27a).

Statement of the Case

DuPont's Owens patent was issued on December 18, 1962. Celanese's Vaccaro patent was issued on March 26, 1963.* Pursuant to 35 U.S.C. §251 (1964), Celanese timely filed an application for reissue of its patent. The Patent Office then declared a 35 U.S.C. §135 Interference to determine priority of invention as between Celanese's reissue application and the duPont patent concerning a Method for conveying thermoplastic film.

On November 29, 1967, the Board of Patent Interferences rendered its written decision, adhered to on reconsideration on January 23, 1968, adjudging Celanese to be the prior inventor. On February 21, 1968, duPont timely filed a 35 U.S.C. §146 complaint in the District Court for the Southern District of New York, seeking an adjudication that it was the prior inventor of the Method.

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* For clarity, references hereafter are to duPont and Celanese without use of the names of their respective inventors.

DuPont's complaint also sought adjudication that Celanese was not entitled to a patent on the Method because of defenses of alleged unpatentability under 35 U.S.C. §§102 and 103, which are conventional to infringement actions but not to priority of invention actions. Celanese's attempt to eliminate such issues prior to trial was unsuccessful, thus opening the door to expanded and protracted pretrial discovery.* With litigated proceedings occurring almost step-by-step, five depositions have already been taken, extensive answers to interrogatories have been furnished, and numerous documents have been produced. Seven depositions are presently scheduled. More discovery of every type is in prospect.

During the pendency of the action duPont may itself practice the invention, and its answers to interrogatories disclose that it licensed its patent to another company after it lost in the Patent Office. Meanwhile, because of the decision below, delaying reissuance until after final determination of duPont's New York action, Celanese, the Patent Office winner, is losing rights day by day, since the term of a reissue patent runs from date of original issue, in this case, 1963, rather than the date of reissuance.

On the most expeditious basis, final determination of duPont's action in the busy Southern District of New York, following completion of pretrial procedures, *de novo* trial and appeal on complex technological questions, is years distant. For example, eight years elapsed be-

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* *DuPont* v. *Celanese*, 291 F. Supp. 428, and interlocutory appeal denied in an unreported opinion (S.D.N.Y. 1968) (Bonsal, D. J.); *DuPont* v. *Celanese*, 159 U.S.P.Q. 165 (S.D.N.Y. 1968) (Pollock, D.J.). District Judges Tyler and Palmieri have decided other litigated issues in this action in a reported opinion, 285 F. Supp. 819 (S.D.N.Y. 1968) and an unreported opinion (S.D.N.Y. 1969), respectively. Another discovery motion presently is pending in that Court.

tween the Patent Office decision and final judgment in a Section 146 action tried in the Southern District.*

The Commissioner found "persuasive" Celanese's contention that it would suffer irreparable injury due to delay in issuance of the reissue patent but denied Celanese's petition of March 11, 1968 (filed less than two weeks after Celanese was served with duPont's New York complaint), on the ground that *Monsanto* gave him "no discretion" (p. 2a).

Invoking the jurisdiction of the District Court below under 28 U.S.C. § 1338 and 5 U.S.C. §§ 701-706, Celanese filed its complaint on April 12, 1968 (later amended by consent on June 20, 1968), for an adjudication of the Commissioner's authority under Section 135 to reissue the Celanese patent despite the pendency of duPont's review action.

The District Court granted the Commissioner's motion to dismiss because of *Monsanto,* despite the "obvious equitable considerations" in Celanese's favor which were considered to be irrelevant (p. 3a). The Court observed during oral argument on the motion (Tr. p. 9, June 27, 1968), that "litigation being what it is", if the reissuance of the patent is tied up in the duPont litigation "for the next ten years" with that reissue patent expiring in 1980, nothing would be left for Celanese even if Celanese ultimately prevailed. DuPont's previously granted intervention in opposition to Celanese was vacated as moot upon dismissal of Celanese's complaint.

The Court of Appeals (by Leventhal, C. J., concurred in by Danaher and Wright, C. J. J.) affirmed on *Monsanto.* It recognized the continuing irreparable injury

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* *Sperry Rand Corp.* v. *Bell Telephone Labs. Inc.*, 208 F. Supp. 598, 600 (S.D.N.Y. 1962), *appeal dismissed*, 317 F. 2d 491 (2d Cir. 1963).

to Celanese due to the running of time against the reissue patent "during the pendency of the [§146] litigation without giving the reissue applicant protection for his new claims" (p. 8a). While failing to exercise its own equitable power, it presumed the power of the New York court to provide for *pendente lite* relief (p. 9a).

Reasons for Granting the Writ

Interference proceedings in the Patent Office, whether applicant against applicant or applicant against patentee, and review of interference decisions, form an important part of the administration of the patent system. As of July 1, 1968, 882 patent interference proceedings—the principal adversarial contests in the Patent Office—were pending.* In each of the last three fiscal years, 478, 435 and 473 interferences were filed in the Patent Office respectively.**

The losing party may appeal to the Court of Customs and Patent Appeals (C.C.P.A.) under 35 U.S.C. §141, which is an expeditious appeal solely on the Patent Office record. Alternatively, he may seek review in the District Court under 35 U.S.C. §146, involving pretrial discovery and *de novo* trial on the issue of priority, with right of appeal to the Court of Appeals, and in such cases the decision of the Patent Office "must be accepted as controlling . . . unless the contrary is established by testimony which in character and in amount carries thorough conviction." *Morgan* v. *Daniels,* 153 U. S. 119, 125.

As to Question 1

We discuss initially the need for resolution of the con-

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* 1968 Commissioner of Patents Annual Report, p. 19.

** 1968, 1967 and 1966 Commissioner of Patents Annual Reports, pp. 19, 14, and 19, respectively.

flict in decisions and practice in the administration of an important branch of the patent system. We then discuss the further need for definitive construction by this Court of Sections 135, 146 and related statutes because of the constitutional and other public interest consequences flowing from the conflict.

A. *The Conflict in Decisions and Practices*

The plainly permissive provisions of 35 U.S.C. §135 are that after decision by the Board of Patent Interferences, "the Commissioner may issue a patent to the applicant who is adjudged the prior inventor". Nevertheless, there is presently a hodge-podge of practice by the Commissioner which has been dictated by conflicting decisions relating to the issuance of a patent to the winning party whether the losing party is an applicant or patentee seeking review in the District Court or in the C.C.P.A.

When the Interference involves an applicant against another, the Commissioner has the power to, and as a matter of practice does, issue the patent to the winning applicant despite commencement of a Section 146 action by the losing applicant. *Monaco* v. *Watson,* 270 F. 2d 335 (D.C. Cir. 1959), *cert. denied,* 361 U. S. 924. That Court construed the express discretionary authority given to the Commissioner under Section 135 to mean "just what it says" (pp. 10a-11a), and made no distinction between Interferences involving applicant against applicant and applicant against patentee. That distinction was later imposed by *Monsanto.*

Where the contest involves an applicant (including an applicant for reissue) against a patentee, and the patentee is the losing party, the Commissioner, only because of *Monsanto* and the decision below, has been deprived of the power, except "perhaps in unusual cases" (p. 19a), to issue the patent to the winning applicant during the pendency of a Section 146 action. Judge

Fahy, who was in the majority in *Monaco* and who dissented in *Monsanto* (reversing positions with Judge Burger), was of the opinion that the *Monaco* construction of Section 135 applied to both factual patterns.

On the basis of *In re Allen,* 115 F. 2d 936 (C.C.P.A. 1940), the Commissioner has been deprived of any power to issue a patent to the winning party in either factual context until after final determination of an appeal to the C.C.P.A. That decision ignored R.S. §4904 (p. 23a) which accorded the Commissioner the same discretionary authority as 35 U.S.C. §135, its successor statute.

Until 1927, the Commissioner had the power to issue a patent to the winning party to an interference despite the pendency of a review proceeding brought by the losing applicant under R.S. §4915, from 1870 until 1952 the predecessor to Section 146. *Illingworth* v. *Atha,* 42 Fed. 141 (C.C.D.N.J. 1890); *Whipple* v. *Miner,* 15 Fed. 117 (C.C.D. Mass. 1883); *Wells* v. *Boyle,* 1888 Dec. Com. Pat. 36 (1888).

From 1927 until 1939 the Commissioner was deprived of such power by the enactment in 1927 of the following provision (p. 24a):

> ". . . If the appellant shall file such bill [in equity under R.S. §4915], . . . the issue of a patent to the party awarded priority by said board of appeals shall be withheld pending the final determination of said proceeding under said Section 4915." Act of March 2, 1927, ch. 273, §8, 44 Stat. 1336.

That provision was expressly repealed in 1939. Act of August 5, 1939, ch. 451, §3, 53 Stat. 1212 (p. 24a).

The Senate Report in support of the 1939 repealer briefly described certain aspects of the then law relating to the issuance of a patent "when two or more applicants for a patent are seeking patents for the same invention, or when an applicant is seeking a patent for an invention

already patented to another. . . ." S. Rep. No. 877, 76th Cong., 1st Sess. 1 (1939).

The reasons for and the effect of the repeal were described by the Senate Report as follows (*id.* at 1, 2):

> "Following the decision of the proposed Board of Interference Examiners, the Commissioner can immediately issue a patent to the winning party, which is ordinarily done when there is no appeal. But even when appeal to the court is taken, in many cases it is possible to grant a patent immediately to the winning party without prejudicing the appeal, and in such cases the Commissioner can so grant the patent immediately.
>
> * * *
>
> ". . . The omission of the last clause of the section [the 1927 provision] will enable the patent to be granted immediately to the winning party."

Monsanto reached the erroneous conclusion that the repeal of the 1927 prohibition meant the Commissioner lacked authority to issue the patent to a winning applicant against a losing patentee except "perhaps in unusual cases." The repeal meant precisely the opposite: that the Commissioner should ordinarily issue the patent immediately after the interference decision.

In the light of the statute and pertinent legislative history and prior decisions, *Monsanto* and the decision below misconstrued Section 135 and erroneously held that the Commissioner was deprived of such discretionary authority.

B. The Further Public Interest and Constitutional Consequences

1. Interferences which go to final decision involve inventions worth the time and expense of contest. The choice by a losing party of a Section 146 review action

with *de novo* trial and pretrial discovery would indicate belief in the significant nature of the invention at issue, because involving the greatest time, effort and expense.

The delay faced by the winning applicant until final determination of a Section 146 action brought by a losing patentee enhances the ability of that loser to effect an advantageous settlement *de hors* the merits, even as here where there is a parity of resources to carry on the litigation. Additionally, a disparity of economic resources in favor of the losing patentee further enhances that ability and would prompt the loser to choose a Section 146 action rather than the more expeditious and inexpensive Section 141 C.C.P.A. appeal.

The frequency of settlement of interferences and possible antitrust abuse led Congress in 1962 to enact paragraph (c) of Section 135 (pp. 21a-22a), which requires filing in the Patent Office of all agreements between the parties involving termination of interferences. Pub. L., 87-831, 76 Stat. 958.

2. At stake in *Monsanto* was the paramount public "interest in seeing that patent monopolies . . . are kept within their legitimate scope". *Precision Instrument Mfg. Co.* v. *Automotive Maintenance Mach. Co.*, 324 U.S. 806, 816. The Constitution mandates that patents shall be allowed for "limited Times", which under the present statute is 17 years (35 U.S.C. §154). One of the reasons for allowing an inventor a patent monopoly, antithetical to competitive concepts, is that he make "full disclosure of the patented invention," enabling public use immediately upon expiration of the patent term. *Scott Paper Co.* v. *Marcalus Mfg. Co.*, 326 U. S. 249, 255. That public interest is thwarted under *Monsanto*.

In the usual case (except as here where a reissue application is involved) of a winning applicant against a losing patentee, *Monsanto* has the effect, during the pro-

tracted pendency of a Section 146 action, of delaying the time when the patented invention will be dedicated to public use—assuming the winning applicant ultimately prevails in accordance with the strong presumption accorded by law to the litigated Patent Office decision in his favor.

3. In Section 135, Congress recognized that two patents covering the same invention might be outstanding until final determination of either the C.C.P.A. appeal or the Section 146 action. The statute provides that after decision of the Board of Patent Interferences the Commissioner may issue the patent to the winning applicant, and that after final judgment on appeal or judicial review the Commissioner shall cancel the claims in the patent of whoever is the ultimate loser. To that effect, see *Monaco*, pp. 10a-11a, where the Court also correctly integrated Section 135 and the last sentence of Section 146.

Monsanto was erroneously decided, and *Monaco* was erroneously distinguished, on the basis that the constitutional exclusivity principle and the public interest in not having two patents outstanding covering one invention was paramount to the private interest of the winning applicant. The Court failed to give sufficient weight to the important constitutional provision that patents have "limited Times"; to Congressional recognition in 35 U.S.C. §§135 and 291 that two patents may be issued and outstanding with respect to one invention; and that when such duality occurs the public is not injured, since it is already precluded, for a limited time, from practising the patented invention.

More significantly, there can be no public interest in having a patent on an invention in the wrong hands during the years required to reach final determination of a Section 146 action.

Most significantly, there is no constitutional exclusivity requirement that during the pendency of a Section 146 action a party who the Patent Office has determined is not entitled to a patent on a particular invention, have "the right to exclude others, from making, using or selling the invention throughout the United States" (35 U.S.C. §154), along with the antitrust immunity which flows therefrom.

If the constitutional exclusivity principle is at all applicable, it would require prompt issuance to the winning party and cancellation of the losing patentee's claim immediately after decision by the Board of Patent Interferences, subject only to reinstatement upon a judicial reversal.

C. *Conclusion as to Question 1*

The extraordinary existing conflict in practice, decisions and statutes, the constitutional problems and the public interest consequences cry out for this Court's resolution of the problems involved. In accordance with the 1939 repeal, the *per curiam* opinion of Judges Edgerton and Fahy in *Monaco* and Judge Fahy's dissent in *Monsanto*, this Court should hold that the Commissioner has discretionary authority to issue a patent promptly after an interference decision, wherever review is sought, whether involving applicant against applicant or applicant against patentee.

If, as we contend, *Monsanto* was decided wrongly, the Court below, the District Court and the Patent Commissioner erred in following it. The Patent Commissioner, who vigorously opposed the preliminary injunction sought in *Monsanto*, made clear that but for *Monsanto* he would have proceeded to process Celanese's application for prompt reissuance in view of the undisputed irreparable injury to Celanese flowing from delay in reissuance, and the strong presumptive correctness of the

decision of the Board of Patent Interferences (pp. 1a-2a).

As to Question 2

A. *Equity dictates prompt issuance when a reissue application is involved.*

If the preliminary injunction in *Monsanto* was correctly granted on its facts, the Court below erred by failing to apply well-established principles of equity to hold that the facts presented here brought this case within the exception of "unusual cases." The Court below departed from the accepted and usual course of equity proceedings, calling for an exercise of this Court's power of supervision.

The decision below is not simply a plain failure to reach an equitable result of enormous private significance to Celanese. It stands as a precedent for all future winning reissue applicants—rich or poor—that they may be deprived of a substantial portion of the economic benefits of their patentable inventions. With the prospect of uncertain gain after a long, complex and expensive *successful* litigation, the decision below discourages a meritorious reissue applicant.

DuPont did not need to commence an action to enjoin the Commissioner, as did the plaintiffs in the *Monsanto, Monaco, Illingworth* and *Whipple* cases, because of the Commissioner's refusal to issue the reissue patent on the basis of *Monsanto*. Nevertheless, the dismissal of Celanese's complaint seeking an adjudication of the authority of the Commissioner, was the precise equivalent of granting duPont an injunction against reissuance pending final determination of duPont's New York action.

Judge Fahy in his *Monsanto* dissent stated that while there might be cases where the public or private interest

would be properly served by a delay in issuance of the patent to the Patent Office winner, *Monsanto* was not such a case, since there was no showing of irreparable injury to the plaintiffs, and the efficacy of the Section 146 proceedings would not be impaired by denial of the injunction.

Here, not only do those two criteria apply, but there is present undisputed day-to-day irreparable injury to Celanese and Celanese, not duPont, is likely to succeed in view of the presumptive correctness of the Patent Office determination.

Applying the most well-established equitable principles relating to preliminary injunctions, the Court below should have reversed the decision of the District Court and ruled that this was an "unusual case" in which the Commissioner had authority to issue the patent.

While the Court below was sympathetic to the equities in Celanese's favor (p. 9a), it erroneously found fault with Celanese's inventor's failure to include a process claim in his original application (p. 8a). In a complex technological field Celanese timely applied under 35 U.S.C. §251 for reissuance of what the Board of Patent Interferences held was an invention "inherent" in Celanese's patent, as differently described in duPont's later applied for patent.

B. *At minimum equity requires security for damages due to delay.*

If not an unusual case requiring prompt issuance of the reissue patent, the Court below should have affirmed, upon the equitable condition that duPont post a bond or undertaking indemnifying Celanese, if it ultimately prevailed, for its damages due to delay. Such an equitable condition is in accordance with Rule 65(c) of the Federal Rules of Civil Procedure which requires the posting of security for damages on the grant of a pre-

liminary injunction, since the Commissioner's action was the precise equivalent of granting duPont such an injunction.

Such an equitable condition is in accordance with the principle that an appellant on an appeal who obtains a stay (duPont's Section 146 action is, in effect, a *de novo* appeal from the judgment of the Patent Office which, under *Monsanto,* stays that judgment), is required to post a supersedeas bond indemnifying the appellee for "damages for delay". U. S. Sup. Ct. R. 18.

In *Wells* v. *Boyle,* 1888 Dec. Com. Pat. 36 (1888), the Commissioner refused to withhold issuance of the patent to the interference winner when the loser filed a bill in equity under R.S. §4915, because of the absence "in the patent law" of any provision "in the nature of a *supersedeas*". Thus, issuance of the patent should not be withheld or, if it is, the equitable power of the Court, which requires no express provision in the patent laws, should be exercised. Under well-established principles, in the absence of such a bond or undertaking, no separate cause of action would accrue in favor of Celanese against duPont for damages due to the delay occasioned by judicial restraint. *Myers* v. *Block,* 120 U.S. 206; *Russell* v. *Farley,* 105 U.S. 433.

In contrast to *Monsanto* where the question of security for damages due to delay did not arise on the grant of the preliminary injunction, here we have undisputed irreparable injury to Celanese. The Courts below had the equitable power to sustain the Commissioner's self-imposed injunction on condition that duPont assume the responsibility of an undertaking for damages such as would have been necessary if it had obtained a preliminary injunction or stay on appeal.

With respect to the power of the District Court in New York to provide for that type of *pendente lite* relief, the Court below called forth fundamental equitable principles

that had never been applied to a patent context, to write (p. 9a):

> ". . . We also presume that the District Court in New York may, in the exercise of sound discretion as an incident to the maintenance of the pending action by duPont, fashion appropriate restitutionary relief to Celanese for royalties or profits accrued by duPont during the period required for litigation or take other appropriate action, assuming and conditioned of course upon a final ruling in favor of Celanese."

The Court below unnecessarily presumed the power of a court in another circuit. In this aspect of its opinion, it erred only in refraining to exercise those "flexible powers of a court of equity" (p. 9a), which it, as well as the New York Court possesses. The Court below's exercise of such equitable power would have avoided the protraction and expense of further litigation and the possibility of differing opinions in different circuits on this point. Affirmation by the conclusive authority of this Court of that power (in whatever forum exercised) would be a pervasive precedent—not limited to the patent field—that where the public interest requires restraint of private interests (*Monsanto*) equity can act toward safeguarding such private interests.

As between the equitable alternatives of prompt issuance of Celanese's reissue patent or requiring duPont to post a bond or undertaking, the former is preferable. The latter may involve an indemnification running to many millions of dollars and, if Celanese ultimately prevails, complex litigation on the undertaking. Nevertheless, whether on principles of preliminary injunctions or on principles involving appeals by a losing party from an adverse judgment, the undertaking or bond is the minimum protection that a court of equity should impose.

CONCLUSION

For the foregoing reasons the petition for a writ of certiorari should be granted.

Respectfully submitted,

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February 21, 1969

APPENDIX OF OPINIONS AND STATUTES

Decision of the Patent Commissioner by his First Assistant

U. S. Department of Commerce
Patent Office

Washington, D. C. 20231

April 1, 1968

Interference No. 94,608

Owens

v.

Vaccaro

The party Vaccaro, who was awarded priority in this interference by the Board of Patent Interferences on November 29, 1967, petitions that his reissue application here involved be remanded to the Examiner for the immediate granting of the requested reissue. It is noted in the petition that a civil action under 35 U.S.C. 146 has been filed by the party Owens in the United States District Court for the Southern District of New York.

The party Owens is a patentee and in Monsanto et al. v. Kamp et al., 1965 C.D. 645, 145 USPQ 431, it was held that a patent should not be issued to an applicant who was successful in interference with a patent during the pendency of an action under 35 U.S.C. 146 filed by the patentee. The petitioner here acknowledges that decision but contends that it is not applicable here because the application involved is for reissue so that the term of the patent sought to be reissued is running and intervening rights may accrue to others during the delay caused by the civil action.

Decision of the Patent Commissioner by his First Assistant

This argument is persuasive and there is no doubt that the equities are different when a reissue, rather than an original application, is involved but the language used by the court in the Monsanto case is thought to be such as to allow the Patent Office no discretion. Thus the court said:

> "If the Commissioner issues a patent to a new applicant, even though there is a patent outstanding on the same subject matter, obviously two patents would be outstanding at the same time on the same subject matter. This is a contradiction of the whole thesis of patent issuance. Indeed the constitutional grant of power to the Federal Government is couched in terms of exclusivity. Of course a duplication of a patent grant may upon occasion occur by accident but it cannot be a valid feature of governmental program . . . We therefore hold that since the Commissioner of Patents has issued a patent valid on its face, *he is not free to take action adverse to the validity of that patent while its validity is being litigated in the United States courts.*" (emphasis added)

From the quoted language it appears that the court's decision was not based on equities but on statutory interpretation and so far as that interpretation is concerned it seems to be immaterial what type of application is involved. The essential holding was that two patents containing the same claims should not be issued until there has been a final determination of priority. Any departure from that categorical pronouncement must be made by the court rather than by the Patent Office, and the petition must accordingly be denied.

EDWIN L. REYNOLDS
First Assistant Commissioner

Oral Ruling of the District Court

[Transcript pp. 22-24, June 27, 1968]

"ORAL RULING OF THE COURT"

"The Court: Well, notwithstanding the obvious equitable considerations in this case, I think I am bound by the Monsanto case. I do not see how I can get around it.

"The essence of that case is you cannot have two patents outstanding at the same time. I equate 'reissue' with 'original issue.' I do not know how I can possibly get around the Monsanto case. I think it is going to have to go back to a court which is provided for these unusual circumstances and see what they can do with it.

"So, I am going to grant the Solicitor's motion for dismissal.

"That, for all intents and purposes, disposes of the other motions, does it not?

"Mr. Martin: Yes, your Honor.

"Mr. Burns: May I suggest two things, Your Honor: One, could we have included a transcript of the Court's comments in the record, and could we have the proposed order that is concurred in by the Solicitor made a part of the record?

"Of course, I recognize the dilemma that the Court is in and we will take it back to the Court of Appeals.

"The Court: I think I am bound by the Monsanto decision.

"Mr. Burns: We will take it back there.

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Opinion of the Court Below

UNITED STATES COURT OF APPEALS

FOR THE DISTRICT OF COLUMBIA CIRCUIT

No. 22,093

CELANESE CORPORATION,

Appellant,

v.

EDWARD J. BRENNER, *Commisioner of Patents,*

Appellee.

APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA

Decided November 25, 1968

Before DANAHER, WRIGHT and LEVENTHAL, *Circuit Judges.*

LEVENTHAL, *Circuit Judge*: This is an appeal from an order granting the motion of the Commissioner of Patents to dismiss a complaint that sought to establish authority in the Commissioner to reissue the patent of plaintiff Celanese Corporation (Celanese) notwithstand-

ing the pendency of a separate civil action brought by E. I. duPont de Nemours and Company (Dupont) in the District Court for the Southern District of New York to review a Patent Office priority determination in favor of Celanese. The District Court's grant of the motion was based on *Monsanto Co.* v. *Kamp*, 123 U. S. App. D. C. 365, 360 F. 2d 499 (1965). We affirm.

Dupont is the owner of the "Owens" patent issued December 18, 1962, relating to the coating of a moving surface with a plastic film. Celanese is owner of the "Vaccaro" patent issued March 26, 1963, which deals with the same matter. On December 16, 1963, after it was discovered that the disclosures made by Vaccaro would support a claim similar to Claim 13 of the Owens patent on the coating process, Vaccaro filed a reissue application under 35 U.S.C. §251 (1964) for a patent including this claim. In October of 1964, the Patent Office declared interference between the Vaccaro reissue application and the Dupont patent, and on November 29, 1967, the Board of Patent Interferences awarded priority to Vaccaro.[1] Thereafter, Dupont filed its action against Celanese under 35 U.S.C. §146 (1964) for a review of this decision. Celanese petitioned the Commissioner of Patents to return its reissue application to the proper examining group "for immediate reissuance of a patent." When the petition was refused on the basis of *Monsanto*, Celanese brought the action now before us.

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[1] Vaccaro had an earlier application date of December 31, 1956, than Owens, who applied on May 3, 1960.

Opinion of the Court Below

Both *Monsanto* and the present case turn on the interpretation of 35 U.S.C. §135 (1964).[2] Section 135 authorizes the Commissioner to issue a patent to the applicant adjudged to have the priority where his dispute is with another applicant.[3] In *Morsanto* this court held that a different treatment was intended by §135 for disputes involving an existing patent as contrasted with disputes involving only applications. However, the court in *Monsanto* felt that the statute did not authorize the issuance of a patent to an applicant, though victorious in the Patent Office, where his dispute is with a patentee whose contention is still pending in court, where review has been sought of the interference ruling. The court reasoned that only a final judgment cancels the prior

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[2] Section 135 read in pertinent part:

§135. Interferences

(a) Whenever an application is made for a patent which, in the opinion of the Commissioner, would interfere with any pending application, or with any unexpired patent, he shall give notice thereof to the applicants, or applicant and patentee, as the case may be. The question of priority of invention shall be determined by a board of patent interferences (consisting of three examiners of interferences) whose decision, if adverse to the claim of an applicant, shall constitute the final refusal by the Patent Office of the claims involved, and the Commissioner may issue a patent to the applicant who is adjudged the prior inventor. A final judgment adverse to a patentee from which no appeal or other review has been or can be taken or had shall constitute cancellation of the claims involved from the patent, and notice thereof shall be endorsed on copies of the patent thereafter distributed by the Patent Office.

[3] Monaco v. Watson, 106 U. S. App. D. C. 142, 270 F. 2d 335 (1959).

patent claim, and Congress did not intend the purposeful issuance of two patents for the same art.[4]

The present case is similar to *Monsanto* in the critical aspects: (1) an applicant has copied claims from an outstanding patent giving rise to an interference,[5] (2) the Board of Patent Interference found priority in the applicant; (3) the defeated patentee sought review in a §146 civil action; and (4) the propriety of the Commissioner's issuance of a second patent is in question.

The present case differs from *Monsanto* in one respect. It involves not an original applicant, but a reissue applicant, and as a result hardships may arise. First, since

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[4] *See* 123 U. S. App. D. C. at 367-68, 360 F. 2d at 501-02:

> If the Commissioner issues a patent to a new applicant even though there is a patent outstanding on the subject matter, *obviously two patents would* be outstanding at the same time on the same subject matter. This is a contradiction to the whole thesis of patent issuance . . . .
>
> We are of opinion, therefore, that the Commissioner should not issue a second patent where an existing patent is outstanding and the cancellation of its terms cannot be effectuated until termination of an action pending in court. * * * Assuming, *arguendo*, Congress has some power with respect to issuance of a patent in some circumstances where one patent is already outstanding, Congress has not authorized a second patent in the circumstances shown here.
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> * * * We therefore hold that, since the Commissioner of Patents has issued a patent valid on its face, he is not free to take action adverse to the validity of that patent while its validity is being litigated in the United States courts.

[5] Here there is a reissue applicant instead of an original applicant. 35 U.S.C. § 251 (1964) applies all but one of the provisions of Title 35 applicable to original applications to reissue applicants.

the date of the original patent is used for the reissue patent,[6] the patent period is running during the pendency of the litigation without giving the reissue applicant protection for his new claims. Appellant also is concerned, lest prior to the grant of the reissue patent, other parties obtain intervening rights under 35 U.S.C. §252 (1964) for claims not in the original patent but which would be protected by the reissue patent. Section 252 provides that any party who, prior to the effective date of the reissue patent, made, purchased, or used an item, which is protected for the first time by the reissue patent, may continue, after its issuance, to use the item or sell it to others for use or resale.

While *Monsanto* said that "perhaps in unusual cases" a second patent might be issued pending the outcome of a suit reviewing the validity of an outstanding patent, we do not feel that Celanese has here made out such an "unusual case." Perhaps fraud by the patentee or a glaring error on the part of the Patent Office would be such an "unusual case." But the source of the problem here appears to be the failure of Vaccaro to make the proper "process" claim for his patent either in 1956 with his application, or in the three months between the December 1962 date of the Owens patent and the March 1963 Vaccaro patent date, when Claim 13 of Owens for the same "process" was of record. The failure of Vaccaro to add this "process" claim to his original "device" claims contributed to the situation wherein these two inventions came to be classed as different arts and assigned to different examining areas, and the Patent Office did not discover the interference until the reissue application finally copied Claim 13 of the Owens patent.

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[6] *See* 35 U.S.C. §§ 251-52 (1964).

We do not doubt that Celanese may argue that certain equitable considerations could be recognized which might predicate a different result, but the injuries experienced or feared by Celanese are best considered, in our opinion, by the District Court where the parties are involved in litigating the review of the interference ruling. An expeditious disposition of that case would of course limit any actual or potential damages or injuries of the kind noted by appellant. We also presume that the District Court in New York may, in the exercise of sound discretion and as an incident to the maintenance of the pending action by Dupont, fashion appropriate restitutionary relief to Celanese for royalties or profits accrued by Dupont during the period required for litigation, or take other appropriate protective action, assuming and conditioned of course upon a final ruling in favor of Celanese.

We think sound doctrine lies in avoiding simultaneous issuance of two conflicting patents by an administrative or executive agency, and instead remitting the parties presenting equitable considerations to the flexible powers of a court of equity. These powers are at summit when the public interest is involved.[7]

Affirmed.

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[7] *See* Virginian Ry. v. System Federation No. 40,300 U. S. 515, 552 (1937). The problem would seem to involve not only the private conflict between Dupont and Celanese but a public interest (a) in not permitting royalties or profits made possible by Congress in case of a patent monopoly to accrue to someone else, (b) in avoiding incentives for instituting or protracting litigation.

We do not consider whether 35 U.S.C. § 252 (1964) grants protection to an intervening right asserted by someone who was violating an outstanding patent (here, the Dupont patent) without consent of the patentee.

Monaco v. Watson

UGO MONACO and MONTECATINI SOCIETA GENERALE PER L'INDUSTRIA MINERARIA E CHIMICA ANONIMA, Appellants

v.

ROBERT C. WATSON, COMMISSIONER OF PATENTS, Appellee.

No. 14937.

UNITED STATES COURT OF APPEALS
DISTRICT OF COLUMBIA CIRCUIT.

Argued May 13, 1959.

Decided Aug. 27, 1959.

Before EDGERTON, FAHY, and BURGER, Circuit Judges.

PER CURIAM.

Appellants had been the losing parties in a Patent Office proceeding in which the board of patent interferences adjudged a different applicant, Paul H. Hoffman, to be the prior inventor. Instead of appealing to the Court of Customs and Patent Appeals, appellants elected to sue in the District Court under 35 U.S.C. §146 to require the Commissioner to issue the patent to them. That suit is pending in the District Court and is not before us. In a second suit, appellants seek to restrain the Commissioner from issuing the patent to Hoffman while the first suit is pending. The present appeal is from a judgment for the defendant in the second suit.

The statute provides that the "question of priority of invention shall be determined by a board of patent interferences * * * and the Commissioner may issue a patent to the applicant who is adjudged the prior inventor." 35 U.S.C. §135. We think this means just what

it says. We see nothing to suggest that applicants who, like these appellants, are adjudged *not* to be prior inventors, can require the Commissioner to withhold the patent while they sue for it under §146.

The policy of the statute is clear. The decision of the board of patent interferences is presumably, though not conclusively, correct. If Hoffman, to whom the board awarded priority, gets the patent, he gets no more than is presumably his. To withhold the patent from him for the benefit of applicants who presumably are not entitled to it would serve no useful purpose. If the appellants win their suit under §146 their rights will be protected, even if the Commissioner has issued the patent to Hoffman in the meantime, for §135 provides that a "final judgment adverse to a patentee * * * shall constitute cancellation of * * * the patent * * *."

Pursuant to In re Allen, 115 F. 2d 936, 28 CCPA 792, the Commissioner withholds patents while appeals from the Patent Office are pending in the Court of Customs and Patent Appeals. That decision and that practice do not concern us. Appellants' suit under §146 "is de novo and not an appeal." Knutson v. Gallsworthy, 82 U.S. App. D.C. 304, 314, 164 F. 2d 497, 507. "It is an application to the court to set aside the action of one of the executive departments of the government." Morgan v. Daniels, 153 U.S. 120, 124, 14 S. Ct. 772, 773, 38 L. Ed. 657.

Affirmed.

BURGER, Circuit Judge (dissenting).

Under the holding of the Court of Customs and Patent Appeals in In re Allen, 1940, 115 F. 2d 936, 28 CCPA 792, the Commissioner of Patents has *no jurisdiction* to issue a patent to a winning party in an interference proceeding during the pendency of the loser's appeal to the CCPA. It is not a matter of discretion, and so the Commissioner conceded in the District Court, although he argues to the contrary here.

For purposes of the Commissioner's interim jurisdiction I can see no difference between an appeal to the CCPA under 35 U.S.C. §141 and a suit for review in a District Court under 35 U.S.C. §146. Before In re Allen but subsequently to Whipple v. Miner, C.C.D. Mass. 1883, 15 F. 117 (relied on here by the Commissioner), the Act of 1927 had amended Rev. Stat. §4915 (1875) so that an appeal to the CCPA or a bill in equity in the District Court were mutually exclusive remedies with identical time limitations. 44 Stat. 1336 (1927). These are provisions analagous in every material respect to present 35 U.S.C. §§141 and 146. Thus, although there have historically been differences between these two methods for reviewing a decision in an interference proceeding, the two routes are now procedurally the same and should therefore have the same effect upon the jurisdiction of the Commissioner.

The statute which the Commissioner contends compels him to issue the patent without delay, 35 U.S.C. §135, had an exact counterpart in force when the CCPA decided In re Allen. Rev. Stat. §4904, as amended, 53 Stat. 1212 (1939). This statute clearly makes no distinction between the two routes for review, nor does reason suggest why such distinction should be made.

I would therefore hold that the Commissioner of Patents does not have jurisdiction to issue a patent until after the termination of proceedings brought under 35 U.S.C. §146.

Monsanto Co. v. Kamp

MONSANTO COMPANY, Jules Pinsky, Albert E. Adakonis, and Alvin R. Nielsen, Appellants,

v.

Ernst Kamp, Karl Jahn, and Edward J. Brenner, Commissioner of Patents, Appellees.

No. 19171.

United States Court of Appeals
District of Columbia Circuit.

Argued May 27, 1965.

Decided July 22, 1965.

Petition for Rehearing En Banc
Denied Oct. 7, 1965.

Before PRETTYMAN, Senior Circuit Judge, and FAHY and BURGER, Circuit Judges.

PRETTYMAN, Senior Circuit Judge.

This is an appeal from an order of the United States District Court for the District of Columbia, which denied a preliminary injunction in a patent case. The controversy concerns a phase of procedure in patent cases. We think the court should have issued the injunction. Its order must therefore be reversed.

Appellant Monsanto Company was the owner of a patent.[1] Appellees Kamp, *et al.*, applied for a patent on the same subject matter. As a matter of fact they copied some of the claims in the outstanding patent and incorporated them in an application. The Patent Office declared

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[1] By assignment from the assignee of the original patentees, Pinsky, *et al.*, by name. The patent issued April 15, 1958.

an interference, and the matter went to the Board of Patent Interferences in the Patent Office.[2] That Board declared Kamp, *et al.*, to be the prior inventors. Monsanto appealed to the Court of Customs and Patent Appeals.[3] Kamp, *et al.*, filed a notice, as the statute permitted them to do, to have all further proceedings conducted by way of a civil action *de novo* in the District Court.[4] Accordingly a complaint was filed in that court by Monsanto against Kamp, *et al.*, and the prior appellate proceeding was dismissed. On the same day it filed its complaint, Monsanto filed a motion for a preliminary injunction, reciting a custom of the Commissioner of Patents to issue a patent to the prevailing applicant in an interference proceeding, regardless of the pendency of an action in court involving the issuance of the same patent. The trial court denied the motion. This appeal followed.

The controversy revolves about Section 135, Title 35, United States Code, which reads:

> "Whenever an application is made for a patent which, in the opinion of the Commissioner, would interfere with any pending application, or with any unexpired patent, he shall give notice thereof to the applicants, or applicant and patentee, as the case may be. The question of priority of invention shall be determined by a board of patent interferences (consisting of three examiners of interferences) whose decision, if adverse to the claim of an

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[2] 35 U.S.C. § 135 (1958 ed.).

[3] 35 U.S.C. § 141 (1958 ed.).

[4] 35 U.S.C. §§ 141, 146 (1958 ed.).

> applicant, shall constitute the final refusal by the Patent Office of the claims involved, and the Commissioner may issue a patent to the applicant who is adjudged the prior inventor. A final judgment adverse to a patentee from which no appeal or other review has been or can be taken or had shall constitute cancellation of the claims involved from the patent, and notice thereof shall be endorsed on copies of the patent thereafter distributed by the Patent Office.
>
> "A claim which is the same as, or for the same or substantially the same subject matter as, a claim of an issued patent may not be made in any application unless such a claim is made prior to one year from the date on which the patent was granted."

The problem is whether the Commissioner of Patents may or may not issue a patent while a civil action concerning the issuance of that patent is pending in court; the circumstances being that the Board of Patent Interferences has declared an applicant for a patent to be the prior inventor over the owner of an outstanding patent and the applicant thus successful has compelled his adversary to proceed by a civil action in court.

We look at the statute as above quoted. The opening clause emphasizes by specificity of reference that there is a difference between an application for a patent and an unexpired patent. It refers to the situation where a new application for a patent would interfere with either a pending application or an existing ("unexpired") patent; the statute is specific in this double description. It fur-

ther emphasizes the point by directing the Commissioner to give notice "to the applicants, or applicant and patentee, as the case may be." The legislative draftsman could hardly have made clearer his understanding that a newly filed application might well interfere with claims in either of two postures—(1) in an outstanding patent or (2) in an application pending but not yet ripened by issuance. The statute then refers to the board of patent interferences. It says that if its decision is adverse to "the claim of an applicant," the claim to be considered refused; and it continues that the Commissioner may issue a patent to a successful applicant. These are clear and simple, even though not exhaustively complete, provisions as to applications. The statute continues, then, to treat an outstanding patent which is found not to have been the prior invention of the matter involved. The statute says that a final judgment "adverse to a patentee" shall constitute cancellation of the patent's claims. Thus the statute provides for "refusal" of the claims of an unsuccessful application and "cancellation" of the claims of an outstanding patent when those claims are unsuccessful under attack. Thus the statute maintains the differentiation between an application and an existing patent.

Three additional features of this statutory situation are pertinent. (1) The statute provides for cancellation of the claims in an existing patent only when there has been "[a] final judgment * * * from which no appeal or other review has been or can be taken". (2) The statute makes no specific provision as to what happens pending the decision of a court if the contest involves an outstanding patent. (3) If the Commissioner issues a patent to a new applicant even though there is a patent outstanding on

the subject matter, obviously two patents would be outstanding at the same time on the same subject matter. This is a contradiction to the whole thesis of patent issuance. Indeed the constitutional grant of power to the Federal Government is couched in terms of exclusivity.[5] Of course a duplication of a patent grant may upon occasion occur by accident, but it cannot be a valid feature of governmental program.

We are of opinion, therefore, that the Commissioner should not issue a second patent where an existing patent is outstanding and the cancellation of its terms cannot be effectuated until termination of an action pending in court.

The foregoing is not in conflict with Monaco v. Watson.[6] We there dealt with a contest between two applicants and we applied the statute exactly as written and as discussed hereinabove.

The Commissioner says the "operative words" of the statute draw no distinction between an applicant and a patentee. It seems to us the statute draws a difference. He also refers to our language in *Monaco,* which in turn refers to withholding a patent, etc., but in that case there was no outstanding patent, whereas in the present case there is one. The Commissioner says a patent is a creature of statute and quotes us as saying that a patent is purely statutory. So it is, in the sense in which we were there talking. But the power to issue patents is a power conferred specifically by the Constitution. It is subject to the terms of that grant, which was to secure to inven-

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[5] See U. S. CONST. art. I, § 8, cl. 8.

[6] 106 U. S. App. D. C. 142, 270 F. 2d 335 (1959).

tors "the exclusive right" to their inventions. Assuming, *arguendo*, Congress has some power with respect to issuance of a patent in some circumstances where one patent is already outstanding, Congress has not authorized a second patent in the circumstances shown here.

Kamp, *et al.*, argue to us that the public interest dictates the early issuance (and thus the early termination) of patents; and from that premise they conclude that the claimed patent should issue to them (*i.e.*, Kamp, *et al.*) forthwith. The fallacy in the progress from that premise to that conclusion is obvious. A patent has been issued and was running for some years before Kamp appeared on the scene; thus, according to this premise, the appearance and application of Kamp, *et al.*, delaying the termination of the period of public exclusion from this subject matter, were against the public interest. Certainly a further seventeen-year delay is not dictated by the premise stated.

It is suggested to us that an examination of the legislative history of the statutes relating to procedure in patent cases indicates that Congress intended the issuance of a second patent in a situation such as the one presently at bar. This history is a long, extremely involved, technical affair, beginning in 1870. Since the words of the statute, as they presently appear in the Code, seem to us to be clear, we are not justified in deducing a different meaning from legislative history. However, because while the statute is clear it is not specific, we note what the Congressional references indicate. Principally it appears that between the years 1927 and 1939 there were in the Code[7] two sentences which provided in terms that

[7] REV. STAT. §§ 4903, 4911.

the issuance of a patent should be withheld pending the termination of the court proceeding. These sentences were dropped in 1939.[8] The Committees mentioned the matter in their reports. The Senate Report said:[9] "But even when appeal to the court is taken, in many cases it is possible to grant a patent immediately to the winning party without prejudicing the appeal, and in such cases the Commissioner can so grant the patent immediately." The reference is apt when applied to a case of two applicants, and perhaps in unusual cases, but it is a far cry from a declaration of power in the Commissioner in any and all cases; indeed the language "in many cases it is possible" negates instead of affirms a general power. We therefore hold that, since the Commissioner of Patents has issued a patent valid on its face, he is not free to take action adverse to the validity of that patent while its validity is being litigated in the United States courts.

Reversed.

FAHY, Circuit Judge (dissenting):

There is a factual difference between this case and Monaco v. Watson, 106 U. S. App. D. C. 142, 270 F. 2d 335, as pointed out by the court, in that here a patent had issued previously whereas only competing applications were involved in *Monaco*. Nevertheless, the construction given by the Commissioner to 35 U.S.C. § 135, under which a patent could be issued by him in this case, is a reasonable one which I think we should accept.

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[8] ACT OF Aug. 5, 1939, ch. 451, §§ 1, 3, 53 STAT. 1212.

[9] S. REP. No. 877, 76th Cong., 1st Sess. 2 (1939).

Were authority to issue the patent to Kamp, *et al.* not found in Section 135 it would not follow that appellants would be entitled to a preliminary injunction to restrain the Commissioner from issuing the patent to Kamp *et al.*, who the Patent Office has decided in the interference proceedings are entitled to priority of invention, thus deciding also that appellants are not entitled to the patent they hold. In this situation it was not incumbent upon the District Court to stay the hand of the Commissioner and enjoin him by preliminary injunction from taking the step he had decided the law permits, even though the law might not require it. There might be cases where the public or private interest, or both, would be properly served by withholding issuance of a patent to one found entitled thereto if a patent for the same invention were extant. This does not appear to me to be such a case at this stage of its history. No irreparable injury to appellants is shown to warrant a preliminary injunction now. The efficacy of the court proceedings to settle the controversy would not be impaired by our affirmance of the court's denial of the injunction.

The exclusive right to their discoveries granted by the Constitution to inventors, referred to in the majority opinion, presupposes that the claim of discovery is valid, the question still to be decided by the court in this controversy.

35 U.S.C. §135 (1964)

INTERFERENCES

(a) Whenever an application is made for a patent which, in the opinion of the Commissioner, would interfere with any pending application, or with any unexpired patent, he shall give notice thereof to the applicants, or applicant and patentee, as the case may be. The question of priority of invention shall be determined by a board of patent interferences (consisting of three examiners of interferences) whose decision, if adverse to the claim of an applicant, shall constitute the final refusal by the Patent Office of the claims involved, and the Commissioner may issue a patent to the applicant who is adjudged the prior inventor. A final judgment adverse to a patentee from which no appeal or other review has been or can be taken or had shall constitute cancellation of the claims involved from the patent, and notice thereof shall be endorsed on copies of the patent thereafter distributed by the Patent Office.

(b) A claim which is the same as, or for the same or substantially the same subject matter as, a claim of an issued patent may not be made in any application unless such a claim is made prior to one year from the date on which the patent was granted.

(c) Any agreement or understanding between parties to an interference, including any collateral agreements referred to therein, made in connection with or in contemplation of the termination of the interference, shall be in writing and a true copy thereof filed in the Patent Office before the termination of the interference as between the said parties to the agreement or understanding. If any party filing the same so requests, the copy shall be kept separate from the file of the interference, and made available only to Government agencies on written request, or

35 U.S.C. §135 (1964)

to any person on a showing of good cause. Failure to file the copy of such agreement or understanding shall render permanently unenforceable such agreement or understanding and any patent of such parties involved in the interference or any patent subsequently issued on any application of such parties so involved. The Commissioner may, however, on a showing of good cause for failure to file within the time prescribed, permit the filing of the agreement or understanding during the six-month pericd subsequent to the termination of the interference as between the parties to the agreement or understanding.

The Commissioner shall give notice to the parties or their attorneys of record, a reasonable time prior to said termination, of the filing requirement of this section. If the Commissioner gives such notice at a later time, irrespective of the right to file such agreement or understanding within the six-month period on a showing of good cause, the parties may file such agreement or understanding within sixty days of the receipt of such notice.

Any discretionary action of the Commissioner under this subsection shall be reviewable under section 10 of the Administrative Procedure Act.

R.S. §4904 (The Predecessor Statute to 35 U.S.C. §135)

Act of August 5, 1939, ch. 451, §1, 53 Stat. 1212

INTERFERENCES; DETERMINATION OF PRIORITY; ISSUE OF PATENTS

Whenever an application is made for a patent which, in the opinion of the Commissioner, would interfere with any pending application, or with any unexpired patent, he shall give notice thereof to the applicants, or applicant and patentee, as the case may be, and shall direct a board of three examiners of interferences to proceed to determine the question of priority of invention. And the Commissioner may issue a patent to the party who is adjudged the prior inventor.

Act of March 2, 1927, ch. 273, §8, 44 Stat. 1336

That section 4911 of the Revised Statutes of the United States be amended to read as follows:

"SEC. 4911. If any applicant is dissatisfied with the decision of the board of appeals, he may appeal to the Court of Appeals of the District of Columbia, in which case he waives his right to proceed under section 4915 of the Revised Statutes. If any party to an interference is dissatisfied with the decision of the board of appeals, he may appeal to the Court of Appeals of the District of Columbia, provided that such appeal shall be dismissed if any adverse party to such interference shall, within twenty days after the appellant shall have filed notice of appeal according to section 4912 of the Revised Statutes, file notice with the Commissioner of Patents that he elects to have all further proceedings conducted as provided in section 4915 of the Revised Statutes. Thereupon the appellant shall have thirty days thereafter within which to file a bill in equity under said section 4915, in default of which the decisions appealed from shall govern the further proceedings in the case. If the appellant shall file such bill within said thirty days and shall file due proof thereof with the Commissioner of Patents, the issue of a patent to the party awarded priority by said board of appeals shall be withheld pending the final determination of said proceeding under said section 4915."

Act of August 5, 1939, ch. 451, §3, 53 Stat. 1212

That section 4911 of the Revised Statutes (U.S.C. title 35, sec. 59a) be amended by changing the words "Board of Appeals" in the second sentence to read "board of interference examiner" and by canceling the last sentence of said section.

35 U.S.C. §141 (1964)

APPEAL TO COURT OF CUSTOMS AND PATENT APPEALS

An applicant dissatisfied with the decision of the Board of Appeals may appeal to the United States Court of Customs and Patent Appeals, thereby waiving his right to proceed under section 145 of this title. A party to an interference dissatisfied with the decision of the board of patent interferences on the question of priority may appeal to the United States Court of Customs and Patent Appeals, but such appeal shall be dismissed if any adverse party to such interference, within twenty days after the appellant has filed notice of appeal according to section 142 of this title, files notice with the Commissioner that he elects to have all further proceedings conducted as provided in section 146 of this title. Thereupon the appellant shall have thirty days thereafter within which to file a civil action under section 146, in default of which the decision appealed from shall govern the further proceedings in the case.

35 U.S.C. §146 (1964)

CIVIL ACTION IN CASE OF INTERFERENCE

Any party to an interference dissatisfied with the decision of the board of patent interferences on the question of priority, may have remedy by civil action, if commenced within such time after such decision, not less than sixty days, as the Commissioner appoints or as provided in section 141 of this title, unless he has appealed to the United States Court of Customs and Patent Appeals, and such appeal is pending or has been decided. In such suits the record in the Patent Office shall be admitted on motion of either party upon the terms and conditions as to costs, expenses, and the further cross-examination of the witnesses as the court imposes, without prejudice to the right of the parties to take further testimony. The testimony and exhibits of the record in the Patent Office when admitted shall have the same effect as if originally taken and produced in the suit.

Such suit may be instituted against the party in interest as shown by the records of the Patent Office at the time of the decision complained of, but any party in interest may become a party to the action. If there be adverse parties residing in a plurality of districts not embraced within the same state, or an adverse party residing in a foreign country, the United States District Court for the District of Columbia shall have jurisdiction and may issue summons against the adverse parties directed to the marshal of any district in which any adverse party resides. Summons against adverse parties residing in foreign countries may be served by publication or otherwise as the court directs. The Commissioner shall not be a necessary party but he shall be notified of the filing of the suit by the clerk of the court in which it is filed and shall have the right to intervene. Judgment of the court in favor of the right of an applicant to a patent shall authorize the Commissioner to issue such patent on the filing in the Patent Office of a certified copy of the judgment and on compliance with the requirements of law.

RS. §4915 (The Predecessor Statute to 35 U.S.C. §146)

Act of February 9, 1893, ch. 74, §9, 27 Stat. 436, as amended

BILL IN EQUITY TO OBTAIN PATENT

Whenever a patent on application is refused by the Board of Appeals or whenever any applicant is dissatisfied with the decision of the board of interference examiners, the applicant, unless appeal has been taken to the United States Court of Customs and Patent Appeals, and such appeal is pending or has been decided, in which case no action may be brought under this section, may have remedy by bill in equity, if filed within six months after such refusal or decision; and the court having cognizance thereof, on notice to adverse parties and other due proceedings had, may adjudge that such applicant is entitled, according to law, to receive a patent for his invention, as specified in his claim or for any part thereof, as the facts in the case may appear. And such adjudication, if it be in favor of the right of the applicant, shall authorize the commissioner to issue such patent on the applicant filing in the Patent Office a copy of the adjudication and otherwise complying with the requirements of law. In all cases where there is no opposing party a copy of the bill shall be served on the commissioner; and all the expenses of the proceedings shall be paid by the applicant, whether the final decision is in his favor or not. In all suits brought hereunder where there are adverse parties the record in the Patent Office shall be admitted in whole or in part, on motion of either party, subject to such terms and conditions as to costs, expenses, and the further cross-examination of the witnesses as the court may impose, without prejudice, however, to the right of the parties to take further testimony. The testimony and exhibits, or parts thereof, of the record in the Patent Office when admitted shall have the same force and effect as if originally taken and produced in the suit.

In the Supreme Court of the United States

OCTOBER TERM, 1968

No. 1078

CELANESE CORPORATION, PETITIONER

v.

EDWARD J. BRENNER, COMMISSIONER OF PATENTS

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

BRIEF FOR THE RESPONDENT IN OPPOSITION

OPINIONS BELOW

Neither the decision of the Commissioner of Patents (Pet. App. 1a-2a) nor the oral ruling of the district court (Pet. App. 3a) is reported. The opinion of the court of appeals (Pet. App. 4a-9a) has not yet been reported.

JURISDICTION

The judgment of the court of appeals was entered on November 25, 1968. The petition for a writ of

certiorari was filed on February 21, 1969. The jurisdiction of this Court is invoked under 28 U.S.C. 1254 (1).

QUESTION PRESENTED

Whether, following an interference proceeding in which a patent reissue applicant prevails over a patentee before the Patent Board of Interferences, the Commissioner may grant the reissue application while a civil action challenging the Board's determination is pending.

STATUTES INVOLVED

35 U.S.C. 135 provides:

> Interferences.
>
> (a) Whenever an application is made for a patent which, in the opinion of the Commissioner, would interfere with any pending application, or with any unexpired patent, he shall give notice thereof to the applicants, or applicant and patentee, as the case may be. The question of priority of invention shall be determined by a board of patent interferences (consisting of three examiners of interferences) whose decision, if adverse to the claim of an applicant, shall constitute the final refusal by the Patent Office of the claims involved, and the Commissioner may issue a patent to the applicant who is adjudged the prior inventor. A final judgment adverse to a patentee from which no appeal or other review has been or can be taken or had shall constitute cancellation of the claims involved from the patent, and notice thereof shall be endorsed on copies of the patent thereafter distributed by the Patent Office.

(b) A claim which is the same as, or for the same or substantially the same subject matter as, a claim of an issued patent may not be made in any application unless such a claim is made prior to one year from the date on which the patent was granted.

* * * *

35 U.S.C. 146 provides:

Civil Action in Case of Interference.

Any party to an interference dissatisfied with the decision of the board of patent interferences on the question of priority, may have remedy by civil action, if commenced within such time after such decision, not less than sixty days, as the Commissioner appoints or as provided in section 141 of this title, unless he has appealed to the United States Court of Customs and Patent Appeals, and such appeal is pending or has been decided. In such suits the record in the Patent Office shall be admitted on motion of either party upon the terms and conditions as to costs, expenses, and the further cross-examination of the witnesses as the court imposes, without prejudice to the right of the parties to take further testimony. The testimony and exhibits of the record in the Patent Office when admitted shall have the same effect as if originally taken and produced in the suit.

* * * *

STATEMENT

E. I. duPont de Nemours and Company (duPont) owns a patent on a process for coating a moving surface with a plastic film; its patent was issued to one Owens on December 18, 1962. Celanese Corporation,

petitioner here, is the owner of a patent on a device for similar coating; its patent was originally issued to one Vaccaro on March 26, 1963. When Celanese discovered that the disclosures originally made by Vaccaro in his 1956 application would support an additional claim for a transporting *process* similar to the one already contained in the duPont (Owens) patent, which had been applied for in 1960, Celanese timely filed a reissue application pursuant to 35 U.S.C. 251 for a patent including that claim.

Noting an interference between Celanese's reissue application and duPont's patent, the Commissioner of Patents, in October 1964, declared an interference within the meaning of 35 U.S.C. 135. A proceeding ensued before the Board of Patent Interferences, which found that Celanese (Vaccaro) had been the first to make disclosures supporting the disputed claim and thus adjudged Celanese to have the rights of the prior inventor.

DuPont then filed an action in United States District Court for the Southern District of New York, seeking *de novo* review of the adverse determination, as authorized by 35 U.S.C. 146.[1] It is likely, as petitioner states (Pet. 5), that final determination of duPont's action, begun in February 1968, is "years distant." That action, however, is not directly involved in the present case.

While the proceedings in New York were pending, petitioner Celanese, relying on the Board's decision,

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[1] A party dissatisfied with a ruling on an interference may alternatively appeal, on the administrative record, to the Court of Customs and Patent Appeals, 35 U.S.C. 141.

petitioned the Commissioner of Patents to return its reissue application to the appropriate examining group for immediate reissuance of a patent including the disputed claim. In support of its petition, Celanese pointed out that 35 U.S.C. 135 provides that, after completion of an interference proceeding, "the Commissioner may issue a patent to the applicant who is adjudged the prior inventor." The Commissioner denied the petition (Pet. App. 1a), concluding that the decision in *Monsanto Co.* v. *Kamp*, 360 F. 2d 499 (C.A.D.C.), left him no discretion to issue a patent in any situation where an applicant prevails over a *patentee* in an interference proceeding.

On April 12, 1968, Celanese filed the present suit in the United States District Court for the District of Columbia, seeking a declaration that the Commissioner does possess authority to reissue a patent in such a situation. The district court, ruling that under *Monsanto* two patents on the same claim cannot be outstanding at the same time, dismissed the complaint (Pet. App. 3a). The court of appeals affirmed (Pet. App. 4a).

ARGUMENT

1. Prior to the *Monsanto* decision in 1965, the Commissioner had taken the position that he was empowered, under 35 U.S.C. 135, to issue a patent to the winning party in any interference proceeding while the question of priority was being litigated further in a Section 146 action. In *Monaco* v. *Watson*, 270 F. 2d 335 (C.A.D.C.), certiorari denied, 361 U.S.

924, the court of appeals had sustained the Commissioner's position that, after decision in an interference proceeding involving *an applicant against an applicant*, the Commissioner could issue a patent to the winning applicant while district court proceedings were pending. In *Monsanto*, however, the same court distinguished *Monaco*, explaining that where the losing party in the interference proceeding already holds a patent on the disputed claim, the Commissioner is precluded from issuing a second patent to the winning party in the interference proceedings (360 F. 2d 499, 501). The distinction emphasized by the court was that in *Monaco* only one patent would be outstanding pending completion of the district court proceedings, whereas in *Monsanto* issuance of the patent to the victor in the interference proceeding would result in the anomaly of two outstanding patents on the same art during the perhaps lengthy judicial review proceedings. As explained in the opinion below, the court had concluded that Congress "did not intend the purposeful issuance of two patents for the same art" (Pet. App. 7a).

2. The Commissioner is of the view that there are countervailing considerations that might justify issuance of a patent in the circumstances of the present case. First, Section 135 does not impose any express limitation on the Commissioner's power to issue a patent "to the applicant who is adjudged the prior inventor" that excludes situations in which the losing party is a patentee seeking judicial review. Second, there need not always be the "further seventeen year delay" before the public may exploit the discovery

that the court in *Monsanto* considered would result from the issuance of a second patent on the same art; in the case of reissue patents, as in the present case, the second patent would run only for the unexpired portion of the original (Celanese) patent. See 35 U.S.C. 251. Third, in light of the inherent power of courts to stay their proceedings and fashion equitable relief, a person sued for infringement by both patentees, or a licensee sued by one of them, could probably secure interim relief pending final determination of priority. Fourth, the traditional presumption of validity of a patent—duPont's in this case—is sharply eroded by a subsequent finding that another claim—that of Celanese—has priority, a determination which itself carries a strong presumption of correctness. See *Morgan* v. *Daniels*, 153 U.S. 120, 125.

3. Nevertheless, we do not believe that certiorari should be granted. The dearth of litigated cases bearing on the point, all of which have arisen in the District of Columbia Circuit, indicates that the question is not of recurrent significance. The relevant statistics bear this out. Over the past five years there have been approximately 1370 interferences declared by the Patent Office between a patent and an application (including 52 where, as here, the interference was between a patent and a reissue application). About half of these declared interferences were terminated without a determination of priority. Of those contested through decision in the Patent Office, some were of course appealed to the Court of Customs and Patent Appeals; in such circumstances, the decision in *In re Allen*, 115 F. 2d 936 (C.C.P.A.), has operated to bar

the Commissioner from issuing a patent to the successful applicant.[2] And the Commissioner has advised us that in the past five years there have been no more than ten instances (including the Celanese request) where an applicant prevailing over an existing patentee in the administrative proceeding has sought issuance of a patent pending review of the decision of the Patent Office pursuant to Section 146.

In sum, the issue raised here has been responsibly and carefully passed upon by the Court of Appeals for the District of Columbia Circuit, and these decisions cannot be said to be inconsistent or plainly wrong; the question has not been litigated in any other circuit; and the result reached below is consistent with

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[2] In *Allen*, the Court of Customs and Patent Appeals predicated its decision on purely procedural grounds, ruling that once a losing party in patent board proceedings has filed a notice of *appeal*, there was no jurisdiction for any further administrative action until final decision had been rendered by the court. Although the case was not decided in the particular context of authority to issue patents (it involved the Patent Board's power to hold a rehearing) the Commissioner has interpreted the broad language therein to prohibit the issuance of a patent to the interference winner in *all* cases where review has been sought in that court, even in applicant-versus-applicant situations where no other patent is already outstanding.

Recently, however, contrary to *Allen*, the same court has twice decided that, despite the filing of a notice of appeal, the Patent Office nevertheless retains jurisdiction to do a purely ministerial act. *Application of Grier*, 342 F. 2d 120 (C.C.P.A.); *Loshbough* v. *Allen*, 359 F. 2d 910 (C.C.P.A.). Since reissuance of a patent in the circumstances presented by the instant case might be said to be a ministerial act, see *Grant* v. *Raymond*, 6 Pet. 218, 246, *Allen's* applicability to cases like the present one may no longer be clear.

that presently obtaining with respect to review in the Court of Customs and Patent Appeals under the *Allen* case, *supra*. Moreover, the court below suggested that petitioner may secure sufficient protection for its interests by seeking protective orders from the district court where the Section 146 review action is pending. Although the principles of equitable relief *pendente lite* may "never [have] been applied to a patent context" (Pet. 17), we believe those principles are sufficiently established in related contexts to afford effective protection.

CONCLUSION

It is therefore respectfully submitted that the petition for a writ of certiorari should be denied.

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APRIL 1969.

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